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JULY 18, 1966

U.S. MAKES SURE IMPORTED FOODS ARE WHOLESOME

FREE-WORLD WHEAT EXPORTS TO COMMUNIST COUNTRIES

THE EXPORT MARKET FOR NONFAT DRY MILK

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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JULY 18, 1966

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Food and Drug Administration inspectors examine walnut cargo for mold, mildew, and other defects. Story on page 4 tells how FDA import inspections like this safeguard U.S. consumers. (Photos courtesy of FDA.)

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Dorothy H. Jacobson, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

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Standing on a barge docked in the Missouri River at Omaha, President Johnson looks over handful of wheat from the 5 millionth ton to go to India this year. At his left is Secretary of Agriculture Freeman.

The President Urges

A Global Effort To Help the Food-Short Nations

On June 30, the 5 millionth ton of U.S. wheat to go to India in 1966 left Omaha from the Municipal Dock on the Missouri River. Speaking to the crowds that had gathered, President Johnson stressed the perils posed by developing food shortages in the following words:

If the strong and the wealthy turn from the needs of the weak and the poor, frustration is sure to be followed by force. No peace and no power is strong enough to stand for long against the restless discontent of millions of human beings who are without any hope.

That is why we stand here this afternoon in Omaha, at the end of a very important lifeline. At the other end of that lifeline, 8,000 long miles out yonder, is India—India, a nation of 500 million human beings. The wheat here this afternoon is part of their shield against the catastrophe of drought and famine.

This single load of grain will provide the margin of life for more than 2,500 families throughout the entire balance of this year. But it is only a very tiny fraction of what America's response to India's need has been.

I would remind you that since January 1, 5 million tons of American wheat have already been shipped to India. That is more than 2½ times the annual wheat production of the State of Nebraska.

And this is only about half of the grain that we and other nations are providing India this year in order to help her overcome the worst drought that her people have ever suffered in the history of her nation.

A time for action

Here, today, in the center of the greatest food producing area anywhere, on this globe, we Americans must face a sobering fact: Most of the world's population is losing the battle to feed itself. If present trends continue, we can now see the point at which even our own vast productive resources, including the millions of acres of farmlands that we now hold in reserve, will not be sufficient to meet the requirements of human beings for food.

In my Food for Freedom message sent to the Congress, I requested the authority and the funds to provide food on very special terms to those countries that are willing to increase their own production.

We will lend America's technical knowledge. We will lend America's practical experience to those people who need it most and who are willing to prove to us that they are willing to try to help themselves. In addition to that, we will support programs of capital investment, water development, farm machinery, pesticides, seed research, and fertilizer.

We will introduce all the American know-how in their country to try to help them learn to produce the food that is necessary to satisfy the human bodies that live in their land.

These are only beginnings. We must work for a global effort. Hunger knows no ideology. Hunger knows no single race or no single nationality; no party—Democratic or Republican.

Seeds of unity against hunger

We recognize the contributions of the Soviet Union. We recognize the contributions of Yugoslavia in contributing food to India. We are glad that they saw fit to try to do their part. We welcome the support of every nation in the world when that support is given to feeding hungry human beings. In this kind of cooperation we find the seeds of unity against the common enemies of all mankind.

I long for the day when we and others, whatever their political creed, will turn our joint resources to the battle against poverty, ignorance and disease, because I honestly believe that the enemies of poverty and ignorance and disease are the enemies of peace in the world.

How U.S. Makes Sure Imported Foods Are Wholesome

By FRANKLIN D. CLARK, *Deputy Director*
Bureau of Education and Voluntary Compliance
Food and Drug Administration, HEW

Ever wonder about the purity of the imported food you eat? There is no need to.

The Food and Drug Administration applies the Federal Food, Drug, and Cosmetic Act as strictly to imported foods as it does to those produced here. The vast majority of our food imports already comply fully with U.S. law. But FDA checks them all for wholesomeness and safety before it allows them to be sold in the United States.

Last year, FDA was responsible for applying the Act to about $2,550 million worth of imported foods (not including meats and meat products, which are handled by the Department of Agriculture). "Complementary" products, not produced here, made up more than half this total, coffee alone accounting for over $1 billion. Other items in this class were bananas, cocoa beans and their products, tropical spices, and tea.

FDA inspector uses an "olive thief" to probe a cask of stuffed olives. This pronged tool brings up a sample of the contents for further examination in a laboratory.

Of the "supplementary" foods, the leading one is cane sugar ($440 million last year). Other principal items are imports of fruits and preparations ($123 million last year); vegetables and preparations ($116 million); edible oils ($87 million); nuts ($75 million); dairy products ($73 million); wines ($68 million); grains and preparations ($41 million); malt liquors ($21 million); and spices ($9 million). All vary in importance from year to year.

How inspection is carried out

At all major ports, FDA has inspectors to make official checks on imported goods. The New York inspectors bear the largest share of this responsibility, since New York is the Nation's busiest port.

Some shipborne food cargoes arriving in this country are released because the inspector is familiar with the product and previous examinations failed to reveal violations of the law. Such a procedure is fair to the trade; yet it offers sufficient safeguards to consumers, for these products may always be detained or seized later if FDA notices damage or violations of law when the product is shipped in interstate commerce.

Other imports are briefly inspected in the Customs Appraiser's office or examined in full at the wharf or in an FDA district laboratory. Examinations are concentrated on products which might be dangers to health; contaminated by filth, pesticides, or radioactivity; spoiled or decomposed; or not fairly and clearly labeled. Not every import lot needs to be inspected, because through experience the inspectors learn how to select those lots and products in which trouble might develop.

Some results of checking

The volume of work done by FDA inspectors and examiners shows in the number of import samples collected, examinations made, and lots detained during the fiscal year 1965. Samples totaled 21,859; examinations, 32,680; and lots detained, 8,718 (of which some were eventually reconditioned and released).

Of the products examined by FDA under the Act, the nonfood items—drugs, medical devices, and cosmetics—make up a minor part. By far the largest volume consists of food products.

In fiscal 1965, FDA collected 14,700 food samples and detained some 3,500 lots. Examples of the kinds of foods detained were bakery products contaminated by rodents and insects; short-weight and insect-infested candy; dried fish contaminated with dead flies and maggots; oysters containing bacteria; decomposed shrimp; insect-infested and short-weight apricots; and moldy pecans.

FDA import inspectors have also been concerned in recent years with products like these: Nut meats and cooked seafood contaminated by *Escherichia coli;* shredded coconut contaminated by salmonella; whitefish with parasitic cysts;

and shelled nuts which were contaminated because the work was done under insanitary home conditions.

Rejected cargoes which can be relabeled or reconditioned to meet the standards of the FDC Act are brought into compliance under the supervision of an FDA or Customs official and released.

Products which cannot be reconditioned to meet the law are returned to the country of origin, destroyed, or decharacterized (by denaturing, dyeing, or other processes), so that human beings cannot intentionally or accidentally consume the final product.

All imported tea examined

An exception to the random spot check is made for imported tea. The Tea Importation Act of 1897 requires that an FDA examiner approve samples of all tea imported.

Thus, all tea must enter the country under bond until it can be tested by FDA examiners in New York, Boston, and San Francisco. And all the tea Americans drink is imported —more than 130 million pounds annually. Although an experimental government garden in South Carolina produced excellent tea for many years, its production costs were too great—about four times those of Oriental tea.

During fiscal 1965, FDA examined 131,451,463 pounds of tea and rejected only 293,150 pounds for failure to meet the standards.

FDA's tea examiners look at and feel the dry leaves; then they taste, smell, and look at the brewed tea. Tea products from more than 30 countries are checked for six quality standards and for adulteration and labeling violations. By tasting, an examiner can tell the country of origin —and often the region—for any of the three basic types of tea (black, green, and oolong); he can also identify the almost infinite variety of blends possible among these three types. Tea from Mainland China, imports of which are forbidden by law, has a distinctive flavor that FDA's tea examiners can readily identify.

Foreign crises can trigger inspection

Experience indicates that imported products can deteriorate in direct proportion to the effect of political upheavals in foreign countries. For example, the quality of pepper, cassia bark, and nutmeg imports from one country showed a marked decline during fiscal 1965. Because of political developments there, Europeans with technical experience were replaced with local laborers not trained to do an adequate job. Between 50 and 60 percent of all nutmeg shipments from that country in 1965 were rejected because of mold, and more than 1.3 million pounds of nutmeg were detained in New York City.

Figs, dates, and their products from several Mediterranean countries showed insect contamination and other impurities after political upheavals during the past 10 years caused the departure of trained technicians.

Other reasons for special attention

The adulteration of olive oil with fuel oil in a North African country several years ago made it necessary to examine all shipments of olive oil and of products packed in olive oil, from that section of the world.

Because contaminated pig butter (made from lard) was shipped to East Germany from China, inspection of all bakery products from West Germany was stepped up for a period, on the possibility that some of the pig butter might have crossed the border.

Reports of heavy rains in the Orient which caused rotting and molding of spices and other agricultural products alerted FDA inspectors to intensify their coverage of all products from those areas.

After nuclear testing in the Pacific, FDA inspection has covered all fish products which might have been shipped from nearby areas. Outbreaks of typhoid or cholera in various parts of the world require special consideration of goods from those areas.

Left, one of FDA's highly skilled tea tasters works his way around a circle of samples. Below, imported cumin seed receives a microscopic examination from an FDA specialist.

Free World's Wheat Exports to Communist Nations Hit New High

Roughly a third of the world's wheat and flour exports—and a new record of some 725 million bushels—moved from the Free World to Communist nations in fiscal 1966, according to preliminary Department estimates. This brings to 2.6 billion bushels, the amount of Free World wheat sold to the Communists since 1960-61, the year in which their large-scale grain imports began.

The fiscal 1966 export is up more than 57 percent from the previous year's 461 million bushels and nearly 4 percent from the former, 1963-64, record of 698 million. Major reason for this rise was the low 1965 wheat production in the Soviet Union and Mainland China. In the USSR, where the 1965 harvest was down an estimated 21 percent from 1964, import requirements were also pushed upward by a change in the government's procurement policy allowing farmers to keep a greater portion of their crop.

The Soviet Union and Mainland China both made their second largest wheat purchases on record in fiscal 1966 and accounted for around 42 and 33 percent, respectively, of total Communist takings.

As usual, Canada was the major supplier, sending a record 326 million bushels to all Communist nations and 194 million to the USSR alone; this represented about 45 percent of the total market compared with Canada's average for the full 6-year period of 40 percent.

Argentina and France also enjoyed record exports to the Communist nations, accounting for nearly 24 and 11 percent of the market, against average shares of 9 percent.

Australia and the United States, on the other hand, saw a decline in their portions—to around 11 and 7 percent respectively. Virtually all of the U.S. trade in the past 2 years has been with Yugoslavia and Poland.

FREE WORLD WHEAT EXPORTS TO COMMUNIST COUNTRIES, FISCAL YEARS 1961-66

Exporting countries	Yugoslavia	Poland	USSR	Other E. Europe and Cuba	Mainland China[1]	Grand total	Average share of exports
United States:	*Mil. bu.*	*Mil. bu.*	*Mil. bu.*	*Mil. bu.*	*Mil. bu.*	*Mil. bu.*	*Percent*
1960-61	14	41	—	2	—	57	
1961-62	39	17	—	—	—	56	
1962-63	45	20	—	—	—	65	
1963-64	11	41	65	12	—	129	
1964-65	50	2	2	—	—	54	
1965-66[2]	45	1	—	2	—	48	
Total	204	122	67	16	—	409	16
Canada:							
1960-61	—	2	8	13	31	54	
1961-62	—	16	—	10	74	100	
1962-63	—	14	—	4	62	80	
1963-64	7	12	208	25	40	292	
1964-65	—	18	35	60	70	183	
1965-66[2]	—	13	194	41	78	326	
Total	7	75	445	153	355	1,035	40
Australia:							
1960-61	—	—	—	—	46	46	
1961-62	—	—	—	—	73	73	
1962-63	—	—	—	—	79	79	
1963-64	—	—	56	2	96	154	
1964-65	—	—	29	—	84	113	
1965-66[2]	—	—	20	—	61	81	
Total	—	—	105	2	439	546	21
Argentina:							
1960-61	—	—	—	—	—	—	
1961-62	—	—	—	—	3	3	
1962-63	—	—	—	—	4	4	
1963-64	—	1	—	2	36	39	
1964-65	—	—	1	2	22	25	
1965-66[2]	—	—	77	3	90	170	
Total	—	1	78	7	155	241	9
France:							
1960-61	—	—	—	—	1	1	
1961-62	—	—	—	—	7	7	
1962-63	—	12	—	6	34	52	
1963-64	—	13	5	5	8	31	
1964-65	—	11	4	32	17	64	
1965-66[2]	—	26	11	33	6	76	
Total	—	62	20	76	73	231	9
Other:							
1960-61	2	—	—	1	2	5	
1961-62	1	1	—	6	17	25	
1962-63	1	5	—	2	4	12	
1963-64	1	9	17	15	11	53	
1964-65	1	19	—	2	—	22	
1965-66[2]	—	10	—	7	7	24	
Total	6	44	17	33	41	141	5
Total Free World, 1960-66[1]	217	304	732	287	1,063	2,603	100

[1] Includes imports by or for North Vietnam, North Korea, and Albania. [2] Tentative.

What's Happening in the Export Market for Nonfat Dry Milk

By DAVID R. STROBEL
Dairy and Poultry Division
Foreign Agricultural Service

This year, for the first time, nonfat dry milk production in Western Europe—the world's main commercial market for this commodity—may surpass that of the United States, which has heretofore been the world's principal producer and exporter.

This striking change reflects some of the overall uncertainties and changes in the world milk situation. In particular, it reflects a significant shift that has taken place in the pattern of world dry milk production since 1961. U.S. production of nonfat dry milk has declined just at the time when production in most of the commercial dairying countries in the world has increased.

In 1961, the United States produced approximately 62 percent of the world output of nonfat dry milk, which then totaled 3.3 billion pounds. By 1965, the U.S. share had dropped, to 45 percent of a world total estimated to have risen to 4.5 billion pounds. It is our prediction that for 1966 this share will drop still further.

Where the change has occurred

Mainly responsible for the shift in the world production pattern for nonfat dry milk is the European Economic Community—France in particular, where production increased from 169 million pounds in 1961 to 750 million in 1965 and is estimated at 882 million for 1966.

For all of Western Europe, 1965 production of nonfat dry milk increased to 1.9 billion pounds—a rise of more than 40 percent over 1964. If U.S. output in 1966 declines to the extent now indicated, not only will Western Europe forge ahead of the United States as a producer, but the EEC alone may do so. Yet in 1962, only 4 years ago, EEC output of nonfat dry milk was less than one-third that of the United States. Across the world too—in New Zealand, a country with a large potential for increased output of nonfat dry milk—production continues to rise.

Western Europe still a market

Despite its increased production, Western Europe may for a short time remain a deficit area in nonfat dry milk and thus continue as an important commercial market. The reason is that the rise in its production has been accompanied by an increase in demand for nonfat, mainly for animal feed—a use that now accounts for nearly 90 percent of total West European nonfat production. The product is either used directly or as a component of manufactured calf feeds.

This new demand situation developed rapidly. In 1962, Western Europe was a net exporter of nonfat dry milk; but in 1963, its consumption outstripped its production, making it a net importer of over 150 million pounds. In 1964, a continued increase in demand, coupled with a slump in milk production and with other factors, pushed net imports to more than 660 million pounds.

In 1965, however, Western Europe resumed the upward trend in its milk production and imports dropped back to an estimated 350 million pounds. In 1966, predictions are that production of both milk and nonfat dry milk will again increase, with net imports of nonfat expected at the level of approximately 180 million pounds—just over half the previous year's.

We can expect that imports of nonfat dry milk into Italy will show a marked increase as domestic requirements, principally for milk replacer rations, continue to rise along with the production of veal calves. These increased Italian needs, plus other needs developing within the EEC, will be supplied to a large degree by member countries such as France, West Germany, and Belgium. Imports from non-EEC countries will therefore be reduced.

With our production of nonfat dry milk down, our commercial shipments to Western Europe will be small. The estimated 100 million pounds to be imported in 1966 by Western Europe—principally the EEC—will be supplied mainly by Australia, New Zealand, and Canada, where production continues to rise. So will the estimated 80 million pounds for the United Kingdom.

These changes in supply and sources are not surprising in view of the fact that both the production of milk and commercial trade in its products are limited for all practical purposes to a relatively small number of developed countries. Milk production in North America, Europe, and Oceania—areas that have only about 20 percent of the world's population—accounts for about 55 percent of total world output. The developing countries of Latin America, Africa, the Near East, and the Far East—with more than 60 percent of the world's population—produce only about 20 percent of the world's milk.

Effect on current U.S. trade

The rising production of milk and nonfat within the EEC will continue to be encouraged by the protection afforded domestic producers under the Community's dairy policy. Thus, the large EEC producers such as France will be seeking markets outside the EEC for any excess output of nonfat. Already, France has been eying the Mexican market. In fact, France—exporting to countries both within and without the EEC—will very likely replace the United States in 1966 as the No. 1 commercial exporter of nonfat dry milk. This will mark the first time since 1962 that the United States has not held first place in commercial nonfat exports.

When there is an unexpected change in the very sensitive supply-demand balance in dairy products, an immediate response or effect usually occurs in U.S. dairy-product exports. Thus, in 1964, following 2 years of static milk production and rising consumer demand in Western Europe, U.S. exports of all dairy products reached record levels. These exports represented the equivalent of 6.6 billion pounds of milk, or 5 percent of the total milk output, and had a value of $276 million.

This record high was reflected in our exports of individual products also. In 1964, 60 percent of our nonfat dry milk output was exported, a total of 1.3 billion pounds. Of this, 586 million pounds were sold commercially, for dollars, in overseas markets, and 85 percent of that amount went to Western Europe, in response to the increasing demand there for nonfat dry milk in the preparation of

milk replacer rations for the growing veal industry.

But in 1965, we shipped out only 863 million pounds of nonfat, of which commercial dollar sales accounted for about 250 million. With West European milk production and stocks again on the rise, we shipped to that area only 131 million pounds of the commercial total.

Does this drastic change in the world's commercial market for nonfat dry milk mean that the United States should now abandon its interest in that market? We don't think so. We believe that world needs for nonfat dry milk will continue to expand, with the growth of Western Europe's milk replacer industry representing only one example of the large, unexpected new uses that can occur.

In another part of the world, Japan has shown how in a few short years demand for dairy products can develop far beyond the capacity of the country to meet it by increasing production—even if it restricts imports and maintains high domestic price levels as incentives to dairying.

Japan, a country of over 95 million people with a consistent and significant growth in gross national product, has been encouraging the development of such a high-price-structure dairy industry. Cow numbers and milk production have been increasing; but consumption of fluid milk, which accounts for more than half the milk output, has been increasing faster. Yet total per capita milk availability in Japan amounts to only a fraction of a pint per day.

Retail dairy prices in Japan, where per capita income is approximately $600, recently reached record highs. Yet Japan has laws to control the importation of dairy products. Only natural cheese, lactose, and casein can be imported without special quotas and licenses. The government itself, however, imports nonfat dry milk from the Commodity Credit Corporation on a concessional sales basis, for use in its school lunch progam. Last school year, it bought 100 million pounds.

Japan will continue to protect its domestic industry, but will continue importing additional quantities of dairy products, allowing its domestic production to meet the increasing demand for fluid milk. As a matter of fact, Japan imported 21 million pounds of nonfat dry milk at world prices in 1965, compared with 14 million a year earlier.

The United States will, of course, continue as long as possible to furnish nonfat dry milk under programs for the developing countries. This use, as in the past, will result in a slow but gradually increasing growth of the world commercial market. In 1964, we exported nonfat dry milk to 108 countries; we sold nonfat commercially to 68 of them, including 13 new countries, among which were Hungary, Iraq, Kenya, and Nigeria. In 1965, our exports went to 107 countries, of which 59 were commercial markets; new ones were Portugal and Sudan. We are convinced that this list of new world commercial markets for our nonfat will continue to grow.

Despite increased production of nonfat dry milk outside the United States, commercial prices continue firm. We believe that in the not too distant future, the continued increase in world demand and the resultant upward price pressure will make U.S. nonfat dry milk prices more and more competitive in the world marketplace.

The changes taking place in the U.S. domestic dairy situation and in world markets for dairy products such as nonfat dry milk indicate that government and industry alike should be giving thoughtful consideration not only to the short-term supply and demand situation but also to the long-term prospects. We need to study the dairy systems of our main competitors and the pressures bearing on their dairy structure, in order to assess future competition for world dairy markets.

Yet, even with the uncertainties that exist in the dairy picture of today and that of tomorrow, we should maintain our interest and presence in the world marketplace. In our effort to do this we will be greatly assisted by cooperative government-industry market development efforts for dairy products like nonfat dry milk.

Drought Holds Cuba's 1966 Sugar Harvest 30 Percent Below Goal

Cuba's 1966 sugar crop, with harvesting completed, is estimated at 4.5 million metric tons—1.5 million below the good crop of 1965 and 2 million below the target. Long-continued drought, a big drop in fertilizer use, poor cutting methods, bad management, and a deteriorating mechanical plant have all contributed in cutting output.

During the early years of the Cuban revolution, emphasis on industry and diversification away from sugar production were favorite policies. In 1963, the sugar crop fell drastically to 3.8 million tons, compared with the 5.3-million average of pre-Castro days and the even higher output of some intervening years. This drop was the result of successive difficulties arising from economic mismanagement and faulty technology.

With foreign exchange in short supply and with mounting economic problems, the Cuban Government sharply changed direction after this disastrous crop and gave priority to sugar production. The 1963 hurricane severely damaged the cane ripening for the 1964 crop and kept output down to 4 million tons. The 1965 crop, with more fortunate weather, rose to 6 million, and a target of 6.5 million for 1966 appeared possible—if weather was again satisfactory. But that hope was not realized.

Prior sales and domestic consumption will probably use up most of the crop unless the USSR releases Cuba from some of this year's commitment to supply 3 million tons.

The target for 1967 is 7.5 million tons. Heavy rains, which started too late to help the 1966 crop, have interfered with field preparations for 1967. However, the rains ended the drought, and favorable moisture levels could help bring a sharp increase in output next year.

Perhaps the greatest problem for the coming crop, as well as for meeting the 1970 goal of 10 million tons, is an adequate supply of proper seed cane for new plantings. This problem, already producing anxiety last year, was brought into sharp focus again this summer, with more young cane harvested than usual in the allout effort to offset the effects of the drought.

Other continued problems are mismanagement, lack of foreign exchange for the purchase of fertilizer and equipment, and a persistent shortage of experienced farm labor. Neither "volunteer" urban workers nor experimental mechanical harvesters have proved successful.

—By John McAlpine
Foreign Regional Analysis Division
Economic Research Service

AIDA Exhibits Bring U.S. Foods Into Sharp Focus in Denmark

U.S. processed foods were well received by the Danish public and European food trade at Denmark's recent AIDA exhibition in Copenhagen, playing to an estimated 4,000 in the trade-only area and 100,000 at the consumer-oriented booths. One of 23 national exhibits in the 11-day show, the U.S. exhibit likewise drew wide attention from the Danish press and television.

The Rice Council for Market Development—stressing convenience, versatility, and economy—handed out over 100,000 recipe folders in an aim to increase the U.S. share of the Danish rice market, now standing at 50 percent. Gearing their promotion to the trade, representatives of the California Cling Peach Advisory Board reached 75 percent of Denmark's major handlers of canned peaches to discuss consumer advertising and point-of-sale promotion. Among other items featured were raisins, citrus products, frozen pastries and other foods, and popcorn—for which one firm has built an export market in the past 5 years adding trade-fair promotion this year.

Denmark's Queen Ingrid, above, visits U.S. beef stand after she and the Royal Family opened U.S. exhibit. Below, sample dishes attract businessmen interested in U.S. rice.

Home economist, above, answers consumers' queries about U.S. raisins, which are currently enjoying the largest share of the Danish raisin market.

Danish youngsters, below, were quick to show their enthusiasm for such American products as popcorn, frozen pastries, soft drinks.

Title I Food for Peace Shipments Near $900 Million Last Year

The United States shipped out $866 million in agricultural commodities under Title I of the Food for Peace program (Public Law 480) in 1965, according to the President's recent report to Congress.

Under Title I, the U.S. Government sells surplus agricultural commodities for foreign currencies. Experience shows that recipients often move from aid to trade and become cash buyers as they progress economically.

As the preface to the President's report points out, more than half the 27 countries receiving U.S. food and fiber for local currencies in mid-1956 have reached a point of economic development where they no longer require such aid. These countries which graduated from Title I programs purchased more than $2 billion in agricultural commodities through commercial channels last year—more than triple their combined dollar purchases of a decade ago.

Total approaches $10 billion

Last year's $866 million in Title I shipments brought the total since the outset of this program in 1954 to $9.3 billion, excluding transportation. However, the export market value of commodities programed since 1954 is $9.6 billion, with the difference between programings and shipments reflecting the time lag from signing the contract to shipping the commodity.

CCC cost passes $14 billion

Estimated cost to the Commodity Credit Corporation (CCC) for financing Title I exports under all agreements signed through December 31, 1965, is $13.3 billion. This includes the export value of shipments from commercial stocks, as well as acquisition costs of CCC-owned commodities (based on domestic support prices), and costs of storage, processing, and inland transportation. In addition, ocean transportation financed by the CCC for commodities required to be shipped in U.S.-flag commercial vessels adds approximately $1.2 billion, bringing the estimated cumulative cost to $14.5 billion.

At one time, local currency could be used to finance ocean transportation in U.S.-flag vessels—which must be used to ship half the Title I exports. Since October 1964, however, only the difference between U.S.- and foreign-flag rates is financed by the CCC for commodities transported on U.S. vessels, and recipient countries must pay that part of the cost equivalent to the foreign-flag rate from their own dollar resources.

In 1964, ocean transportation charges made up approximately 9 percent of total estimated CCC costs. The following year, as a result of the new policy, the proportion dropped to about 7 percent, saving the U.S. Government almost $10 million.

The volume of commodities shipped last year was 11.2 million metric tons, somewhat below the record of 14.7 million in 1964. From the beginning of the program through 1965, the total was over 106 million tons.

Wheat again placed as the major commodity shipped last year. Although shipments of wheat and wheat flour declined some 20 percent from the 1964 level, they still totaled the equivalent of about 360 million bushels. Shipments of corn dropped from over 30 million bushels in 1964 to less than 11 million last year, and those of fats and oils from over a billion pounds to less than 60 percent of that amount.

Nineteen new Title I agreements or amendments to agreements were signed in 1965, bringing the total since 1954 to 433 with 52 countries. Of the 13 countries signning contracts last year, Afghanistan and Mali were newcomers to the program. Among the commodities programed were $228.3 million in wheat, $38.7 million in rice, and $17.9 million in dairy products.

COMPOSITION OF TITLE I AGREEMENTS SIGNED JULY 1, 1954, THROUGH DECEMBER 31, 1965

Commodity	Unit	Approximate quantity	Export market value	Estimated CCC cost
		Thousand units	*Million dollars*	*Million dollars*
Wheat and wheat flour	Bu.	[1] 3,308,521	5,597.2	8,513.6
Feed grains	do.	[2] 457,557	552.2	662.8
Rice	Cwt.	103,996	610.5	1,026.9
Cotton	Bales	9,298	1,309.7	1,868.7
Cotton linters	do.	7	.3	.3
Tobacco	Lb.	435,552	315.7	316.7
Dairy products	do.	711,389	138.0	192.1
Fats and oils	do.	8,173,704	1,037.0	1,042.0
Poultry	do.	37,581	11.3	11.3
Meat	do.	150,270	52.0	52.0
Fruits and vegetables	do.	196,945	18.0	18.0
Dried edible beans, peas, and lentils	Cwt.	1,098	6.6	6.6
Seeds	Lb.	10	.4	.4
Total commodities	—	—	9,648.9	13,711.4
Ocean transportation (agreements through Dec. 31, 1964) [4]	—	—	1,187.4	1,187.4
Differential transportation (agreements after Jan. 1, 1965) [3]	—	—	30.1	30.1
Total	—	—	10,866.4	14,928.9

[1] Wheat and wheat flour equivalent. [2] 150,327,000 bu. of barley, 224,451,000 of corn, 71,235,000 of grain sorghum, 6,807,000 of oats, and 4,737,000 of rye. [3] Public Law 88-638, Oct. 8, 1964, provided that under agreements signed after Dec. 31, 1964, ocean freight charges would be financed by CCC only to the extent that they were higher than they would be otherwise because of a requirement that shipments be made in U.S. flag vessels.

COMMODITY COMPOSITION AND VALUE OF TITLE I AGREEMENTS SIGNED IN 1965

Commodity	Unit	Approximate quantity	Export market value	Estimated CCC cost
		Thousand units	*Million dollars*	*Million dollars*
Wheat and wheat flour	Bu.	[1] 146,213.0	228.3	339.8
Feed grains	do.	[2] 11,416.0	14.5	14.5
Rice	Cwt.	6,754.0	38.7	57.3
Cotton	Bales	47.1	6.0	12.6
Tobacco	Lbs.	2,756.0	2.8	2.8
Fats and oils	do.	72,627.0	9.6	9.6
Dairy products	do.	72,964.0	17.9	19.1
Total commodities	—	—	317.8	455.7
Differential (ocean transportation)	—	—	—	[3] 30.1
Total including differential	—	—	—	485.8

[1] Wheat and wheat flour equivalent. [2] 1,147,000 bu. of barley, 2,386,000 of corn, and 7,883,000 of grain sorghum. [3] Differential estimated only on purchase authorizations issued against agreements.

Cotton Use Lower in United Kingdom

Consumption of raw cotton in the United Kingdom in August-March of 1965-66 amounted to 680,000 bales (480 lb. net), 6 percent below the same period a year earlier. The decline in consumption is principally a result of the continued high level of textile imports from Commonwealth countries and low-cost goods from developing countries.

Unusually large imports of cotton goods arrived in the United Kingdom in the January-April period, the result of Commonwealth shipments in the closing weeks of 1965 before the new controls on textile imports came into force. This followed the decision of the British Government to disallow carryover of unused 1965 textile quotas into calendar 1966.

Besides facing continued competition from manmade fibers, the industry has been relatively unsuccessful in expanding exports of cotton goods. More problems for the U.K. cotton industry are likely to develop after the removal of the 10-percent surcharge on imported goods effective this November. Apart from the surcharge, Commonwealth goods have entered the United Kingdom free of duty but subject to quota. Non-Commonwealth countries have paid an additional tariff approaching 20 percent.

The British seamen's strike reportedly had little effect on production of textiles. Supplies of raw cotton, while unusually low, have been sufficient to maintain mill requirements, especially since mills are now curtailing output as they enter the period of summer holidays. Imports of raw cotton in August-March totaled 633,000 bales (480 lb. net), compared with 614,000 in the same period of 1964-65. Imports in the full season are expected to be around 950,000 bales. Stocks on hand at season's end are forecast at 250,000 bales—about a 3-month supply, based on current usage.

Imports from principal countries of origin during the August-March period of 1965-66, in thousands of bales, with comparable 1964-65 figures in parentheses, were: United States 124 (133), Turkey 117 (98), Iran 54 (38), USSR 50 (24), Peru 35 (30), Brazil 31 (56), Pakistan 25 (31), Sudan 22 (41), Mexico 19 (15), Colombia 15 (4), Aden 14 (11), Malawi 14 (7), Egypt 13 (25), Nigeria 12 (8), Chad 10 (20), and all others 78 (73). Imports from the United States include 10,000-15,000 bales of Mexican cotton transshipped through U.S. ports.

Strikes Reduce Canadian Cotton Use

Prolonged strikes in four mills have resulted in reduced activity in the Canadian cotton textile industry, according to the Canadian Textile Institute. Canadian mills opened 32,406 bales in May, compared with 33,975 in April and 38,205 in May of 1965. Consumption in August-May of 1965-66 was 400,013 bales. In 1964-65 it was 391,740.

Morocco's Imports of Tobacco Decrease

Morocco's imports of unmanufactured tobacco last year totaled 8.3 million pounds—down almost 21 percent from the 1964 level of 10.5 million. Smaller imports from practically all major suppliers, except the United States and India, accounted for the decline.

Imports from Brazil, the principal supplier, dropped to 2.7 million pounds from 2.9 million in 1964. Likewise, imports from the Dominican Republic, Colombia, Cameroon, and Indonesia were down substantially from the previous year's levels. No imports were reported from Paraguay, Cuba, and Dahomey, three countries from which imports last year totaled 1.4 million pounds. However, imports from the United States rose to 1,036,000 pounds from 552,000 in 1964, and those from India totaled 551,000 pounds compared with 441,000.

MOROCCO'S UNMANUFACTURED TOBACCO IMPORTS

Origin	1963	1964	1965 [1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Brazil	3,248	2,935	2,747
Dominican Republic	1,361	1,836	1,281
Philippines	882	1,257	1,279
United States	560	552	1,036
Colombia	705	1,021	772
India	860	441	551
Cameroon	—	404	298
Indonesia	252	568	284
Dahomey	331	551	—
Cuba	441	551	—
Others	314	404	94
Total	8,954	10,520	8,342

[1] Preliminary; subject to revision.

Hong Kong's Tobacco Imports Down Slightly

Hong Kong's imports of unmanufactured tobacco last year, at 18.1 million pounds, were down slightly from the 1964 level of 18.7 million pounds. Reduced imports from India, Taiwan, Pakistan, Thailand, Mozambique, South Africa, the Philippines, Australia, and Mainland China more than offset stepped-up takings from the United States, Rhodesia, Canada, and Japan.

Imports of U.S. leaf last year set a new record of 8.1 million pounds, compared with 7.8 million in 1964. Takings from Rhodesia also totaled a record 7.0 million pounds, 22 percent greater than the 1964 level of 5.9 million. Imports from Japan rose to 822,000 pounds from 150,000, and those from Canada totaled 457,000 compared with 131,000 in 1964. However, imports from India last year dropped to 0.5 million pounds from 1.5 million and those from Mainland China totaled 0.5 million, compared with 1.2 million in 1964. There were no reported imports last year from Taiwan, Thailand, and Pakistan, whereas takings from these three countries had totaled 1.1 million pounds in 1964.

Portugal's Tobacco Imports Higher in 1965

Portugal's 1965 tobacco imports, at 13.7 million pounds, were 2 percent above those of 1964.

Purchases of U.S. leaf in 1965, at about 5 million pounds, accounted for 37 percent of the total, compared with 48 percent in 1964. Combined imports from the overseas Provinces of Angola and Mozambique were 4 million

pounds in 1965, compared with 2.9 million in 1964. Imports from Rhodesia rose from 1.2 million in 1964 to 1.7 million in 1965.

PORTUGAL'S TOBACCO IMPORTS[1]

Country	1964	1965
	1,000 pounds	*1,000 pounds*
United States	6,426	4,991
Rhodesia	1,166	1,704
Angola	2,064	2,857
Mozambique	851	1,131
Greece	1,122	1,045
Indonesia	392	373
Mexico	408	362
Canada	119	302
Dominican Republic	320	214
Others	454	714
Total	13,322	13,693

[1] Continental Portugal only.

Thailand's Tobacco Exports Down

Thai exports of unmanufactured tobacco in 1965, at 11.3 million pounds, were about 17 percent below the 13.6 million shipped out in 1964.

Flue-cured accounted for most of the exports in both years. Largest markets for flue-cured in 1965 were West Germany, Japan, the Netherlands, and Switzerland. West Germany took 5.1 million pounds, at the equivalent of 31 U.S. cents per pound, and Japan 3.1 million, at 52 cents.

New Zealand's Cigarette Output Up

Cigarette output in New Zealand during 1965 totaled 4,135 million pieces, compared with 3,643 million in 1964 and 3,756 million in 1963. Production of cut tobacco continued downward and amounted to 3.7 million pounds, compared with 4.1 million in 1964 and 4.7 million in 1963.

Cigarette sales last year rose to 4,102 million pieces from 3,796 million for 1964. Sales of cut tobacco, at 3.4 million pounds, were 11.5 percent below the 3.9 million pounds sold in 1964.

Chilean Tobacco Imports Up

Chile's duty-paid imports of unmanufactured tobacco during 1965 totaled 2.5 million pounds—up 8.2 percent from the 1964 level of 2.3 million. Larger imports from Canada, the United Kingdom, Greece, Turkey, and Cuba accounted for most of the increase.

CHILE'S DUTY-PAID IMPORTS OF TOBACCO

Origin	1963	1964	1965[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	2,667	1,978	1,904
Canada	441	151	(3)
United Kingdom[2]	462	149	(3)
Cuba	340	7	62
Others	16	—	506
Total	3,926	2,285	2,472

[1] Preliminary; subject to revision. [2] Re-export. [3] If any, included in others.

Imports from the United States, the principal supplier, totaled 1.9 million pounds—down slightly from the 1964 level of 2.0 million, whereas imports (arrivals) from Canada, Turkey, Greece, and the United Kingdom were up from those for the previous year.

Leaf used in the manufacture of tobacco products last year totaled 16.9 million pounds, compared with 16.2 million in 1964. Domestic leaf represented slightly over 82 percent of total usage. Usings of U.S. leaf accounted for about 14 percent of all leaf used and slightly over three-fourths of all imported tobaccos used.

South Korea's Cigarette Output Higher

South Korea's cigarette output last year set a new high of 58.4 million pounds. This figure was 21.4 percent larger than the 48.1 million pounds produced in 1964 and more than double the 1957 level of 29.0 million.

Production of cut tobacco rose to 19.3 million pounds from 19.1 million in 1964 but was still 10.4 percent below the 1963 high of 21.5 million.

Yugoslavia Expects Near-Record Tobacco Crop

The 1966 tobacco harvest in Yugoslavia is tentatively estimated at 127.9 million pounds, compared with the 1965 harvest of 123.0 million. If this forecast is realized, the crop will be the third largest on record, exceeded only by the 1964 high of 145.1 million pounds and the 1957 harvest of 139.6 million.

Planted acreage for the 1966 season is currently estimated at 143,300 acres—down slightly from the 148,300 acres planted last year but still the third largest on record.

Stocks held on July 1, 1966, were reportedly estimated at 89.9 million pounds, about 6 percent above the 85.0 million held on the same date last year. Some additional stock accumulation is forecast for the current season, and stocks on June 30, 1967, may total about 92.5 million pounds.

Swiss Tobacco Imports Rise Sharply

Swiss imports of unmanufactured tobacco in 1965 totaled 45.4 million pounds—up 14.7 percent from 39.6 million in 1964. Larger purchases from the United States, Rhodesia, and Greece accounted for most of the rise.

The United States supplied 22.0 million pounds or 48 percent of the total, last year, compared with 18.4 million or 47 percent in 1964. Other major suppliers in 1965 included Greece 4.1 million pounds, Brazil 3.5 million, Turkey 2.7 million, and Rhodesia 2.4 million.

SWISS DUTY-PAID IMPORTS OF TOBACCO

Origin	1963	1964	1965
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	17,699	18,448	22,032
Greece	3,563	3,417	4,051
Brazil	3,627	3,607	3,458
Turkey	2,496	2,402	2,715
Rhodesia	1,542	1,308	2,398
Italy	2,141	1,880	1,996
Indonesia	1,574	1,722	1,610
Soviet Union	752	766	895
Dominican Republic	882	951	874
France	655	712	789
Others	3,274	4,354	4,564
Total	38,205	39,567	45,382

Italy Imports More Cheese, Exports Less

Italy imported almost 140 million pounds of cheese in 1965, 13 million pounds more than in 1964, and only about 2 million pounds less than the record level reached

in 1963. As in the past several years, West Germany, Switzerland, France, and Austria were again the principal suppliers in 1965.

Shipments from these sources, in millions of pounds, with 1964 figures in parentheses, were: Western Germany, 29 (26), Switzerland, 29 (24), France, 22 (20), and Austria, 21 (18). Imports from Finland and the Netherlands also exceeded those of a year ago. Supplies from Denmark at 9 million pounds were 2 million pounds smaller than those received in 1964. Trade with the United States at 1 million pounds was less than half the trade of 1964.

Cheese exports declined 3 percent to 49 million pounds. France was the only country among the principal markets for Italian cheese which increased its purchases, taking 10 million pounds, compared with 7 million pounds in 1964. Shipments to the United States declined from 21 million pounds to 18 million pounds, the smallest sales made in several years.

Norway's Butter and Cheese Exports Decline

Norway's exports of butter in 1965 at 8 million pounds were 40 percent less than a year earlier. Accounting for this decline were reduced shipments to the United Kingdom, from 7 million pounds to 6 million, and to Switzerland, from more than 3 million to less than 1 million.

Exports of cheese, at 27 million pounds, were down 15 percent, despite expanded trade with Japan and the United States. In 1965, shipments to Japan rose 34 percent, to 7 million pounds, and those to the United States almost 10 percent, to more than 1 million. These increases were sharply offset by smaller sales to Western Germany—2 million pounds in 1965 compared with 5 million pounds a year ago—and to Italy, down from 3 million pounds to 553,000 pounds. The United Kingdom continued to be the most important market for Norway's cheese, although shipments there of 8 million pounds in 1965 were 11 percent less than those of 1964.

U.S. Exports of Soybeans and Products

Exports of *soybeans* from the United States in May were 21.5 million bushels against 20.2 million in the previous month. Cumulative exports through May of the marketing year beginning September 1, 1965, continued their record pace at 40.9 million bushels, one-fourth above the exports in the corresponding months of 1964-65. Most of the increase moved to the major markets—Japan, West Germany, and the Netherlands—although movements to Spain and Italy increased substantially.

May exports of *edible oil*, at 86.5 million pounds, were 27.5 million above those in April. However, cumulative exports in the October-May period continued to lag one-third behind those for the comparable period of 1964-65. A large part of this decline is a reflection of the absence of movements to Spain and reduced takings by West Germany.

U.S. *cake and meal* exports in May, at 237,300 short tons, were 12,500 tons below those in April yet sharply above those in May 1965. Exports in the 8-month period through May, at nearly 2.2 million tons, were 31 percent above those of the like period in 1964-65. Larger exports to West Germany, France, and Spain accounted for 27 percent, 15 percent, and 12 percent, respectively, of the aggregate increase.

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and country of destination	Unit	May 1965 [1]	May 1966 [1]	September-May 1964-65 [1]	September-May 1965-66 [1]
SOYBEANS					
Japan	Mil. bu.	3.3	6.5	35.5	49.1
Netherlands	do.	2.4	2.7	24.3	29.9
Germany, West	do.	1.3	2.1	19.0	26.2
Canada	do.	4.4	4.5	22.6	22.8
Italy	do.	1.1	.7	9.0	14.8
Spain	do.	1.3	1.7	6.7	14.4
Others	do.	4.0	3.3	49.8	50.6
Total	do.	17.8	21.5	166.9	207.8
Oil Equiv.	Mil. lb.	195.6	236.5	1,832.9	2,282.0
Meal Equiv.	1,000 ton	418.6	506.1	3,922.9	4,884.1

EDIBLE OILS		May 1965 [1]	May 1966 [1]	October-May 1964-65 [1]	October-May 1965-66 [1]
Soybean: [2]					
Pakistan	do.	47.1	—	179.7	100.0
Iran	do.	5.9	4.6	50.2	84.0
Yugoslavia	do.	—	(3)	1.1	40.3
Burma	do.	—	14.1	—	32.3
Greece	do.	—	—	51.4	23.8
Canada	do.	3.9	4.4	25.7	21.1
Colombia	do.	(3)	11.6	(3)	20.2
Other	do.	28.2	12.5	542.3	130.9
Total	do.	85.1	47.2	850.4	452.6
Foreign donations [4]	do.	20.4	27.5	(5)42.3	138.0
Total soybean oil	do.	105.5	74.7	892.7	590.6
Cottonseed: [2]					
Germany, West	do.	16.1	—	130.0	49.9
Canada	do.	4.1	2.3	29.6	35.5
U.A.R., Egypt	do.	—	—	26.7	22.8
Venezuela	do.	2.0	3.8	16.6	22.3
Pakistan	do.	.7	(3)	17.5	21.7
Mexico	do.	—	—	(3)	15.4
Morocco	do.	6.9	—	23.9	15.1
Others	do.	14.2	5.7	138.6	52.2
Total	do.	44.0	11.8	382.9	234.9
Foreign donations [4]	do.	4.5	(3)	[5] 76.8	1.2
Total cottonseed	do.	48.5	11.8	459.7	236.1
Total oils	do.	154.0	86.5	1,352.4	826.7
CAKES AND MEALS					
Soybean:					
Germany West	1,000 tons	18.9	30.1	211.5	349.7
France	do.	48.2	36.7	255.1	330.3
Netherlands	do.	12.3	25.0	187.2	237.3
Canada	do.	22.0	20.5	154.7	154.7
Italy	do.	4.4	28.5	109.0	145.1
Belgium	do.	15.0	14.2	124.0	124.2
Spain	do.	7.7	17.9	58.9	122.6
Denmark	do.	7.6	9.8	102.3	111.5
United Kingdom	do.	(3)	9.3	19.8	90.8
Yugoslavia	do.	—	6.8	108.9	65.5
Others	do.	10.1	19.3	189.6	250.5
Total	do.	146.2	218.1	1,521.0	1,982.2
Cottonseed	do.	10.0	.3	96.7	97.2
Linseed	do.	2.2	8.6	31.1	60.7
Total cakes and meals [7]	do.	162.2	237.3	1,662.5	2,171.6

[1] Preliminary. [2] Includes Title I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Less than 50,000 lbs. [4] Title III, P.L. 480. [5] October-December 1964 estimated by USDA, includes salad oil and oil in shortening. [6] Less than 50 tons. [7] Includes peanut cake and meal and small quantities of other cakes and meals.

Note: Countries indicated are ranked according to quantities taken in the current marketing year.

Compiled from Census records and USDA estimates.

Northbound Suez Canal Shipments in May

The volume of oil-bearing materials northbound through the Suez Canal during the October-May period of 1965-66 totaled 1.04 million metric tons, slightly below shipments during the comparable period of 1964-65. Shipments of soybeans declined sharply while northbound movements of copra increased.

NORTHBOUND SHIPMENTS THROUGH SUEZ CANAL

Item	May		October-May	
	1965	1966	1964-65	1965-66
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans [1]	21,390	6,532	156,068	77,451
Copra	47,090	51,183	505,534	611,602
Peanuts	27,702	10,548	146,177	114,946
Cottonseed	9,991	6,058	86,832	62,643
Flaxseed [2]	1,187	2,155	19,339	6,701
Castorbeans	1,499	4,137	21,219	37,112
Palm kernels	2,260	4,500	20,030	25,177
Sesame	2,848	3,063	25,663	36,626
Others	4,008	21,502	67,993	66,030
Total	117,975	109,678	1,048,855	1,038,288

[1] One metric ton of soybeans equals 36.7 bu. [2] One metric ton of flaxseed equals 39.4 bu.

Suez Canal Authority, Cairo, Egypt.

Shipments of vegetable oils in October-May were 314,429 tons against 250,117 tons in the corresponding period of 1964-65. May shipments alone amounted to 52,136 tons, compared with 32,420 in the May 1965 period. The increase reflected heavier movements of palm and cottonseed oils, although movements of soybean, castor, and tung oils were smaller.

Cumulative shipments of vegetable cakes and meals through the canal in the October-May period, at 1,111,114 tons, were 48,564 tons above the like period a year ago. The increase reflected increased shipments of copra and cottonseed cakes and meals; however, shipments of peanut cake and meal declined.

Larger 1966 Brazil Nut Harvest Expected

The 1966 brazil nut harvest—consisting of nuts produced in both Brazil and Bolivia and marketed through Brazilian ports—is estimated at 44,000 short tons (in-shell basis). This total is one-third larger than the 33,000-ton 1965 crop but only marginally above the 43,400-ton average. May river conditions were said to be normal.

As a result of heavier supplies, exports are expected to be up by about 10 percent from the 28,000 tons in-shell equivalent shipped in 1965. Of the 1965 total 16,248 tons were natural and dehydrated in-shell nuts, and 5,700 tons shelled.

Because of the larger crop, brazil nut prices (f.o.b. Belem) in March 1966 were down somewhat from a year earlier. Although the 1965 crop is larger than the one in 1964, prices are higher than their April 1964 level.

SELECTED BRAZIL NUT PRICES
[f.o.b. Belem]

Type	April 1964	March 1965	March 1966
	Cents per lb.	*Cents per lb.*	*Cents per lb.*
Shelled	48	60	55
Dehydrated	19	23	20
In-shell naturals	12	17	14

BRAZIL NUT HARVEST

Area	Average 1960-64	1964	1965 [1]	1966 [2]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Amazonas	—	12.0	7.4	11.0
Acre	—	3.0	3.6	5.0
Para	—	18.0	19.0	24.0
Bolivia [3]	—	3.0	3.0	4.0
Total	43.4	36.0	33.0	44.0

[1] Revised. [2] Preliminary. [3] Only those marketed through Brazilian ports.

BRAZIL'S EXPORTS OF BRAZIL NUTS

Destination	Shelled		In-shell	
	1964	1965	1964	1965
	Short tons	*Short tons*	*Short tons*	*Short tons*
United States	3,622	3,360	7,325	4,432
United Kingdom	1,224	1,755	8,013	6,373
Canada	234	281	893	780
West Germany	126	112	4,376	3,791
Other countries	170	193	676	872
Total	5,376	5,700	21,283	16,248

French Guiana Sugarcane Production Drops

Sugarcane, traditionally the leading crop in French Guiana, dropped from 15,900 metric tons for 1963-64 to 4,200 tons for 1964-65. Production had been as high as 20,000 tons in 1958.

Sugarcane is grown exclusively for use in rum production and only 100 hectares (247 acres) of 230 (568 acres) were harvested last year due to the accumulation of stocks of rum by the Department's distilleries.

East Pakistan's Jute Estimates Reduced

Revised estimates for Pakistan's jute crop are placed at between 6 million and 6.5 million bales, down 7 to 14 percent from the original target of 7 million. Lack of rain during the early months of 1966 forced growers to delay planting until late April when the rains commenced.

Traders in Narayanganj Market are now reassessing the effects of the delayed planting; they indicate that a further downward revision of the present crop is needed. The suggested new estimate is not more than 5.5 million bales and may be as low as 5.2 million.

Ivory Coast, Cameroon Cocoa Bean Crops

The Ivory Coast's 1965-66 cocoa bean production through April 17, 1966, totaled 108,660 metric tons, down 12 percent from the corresponding period a year earlier when 124,176 tons were harvested. Total 1964-65 [October-September] production reached the record level of 147,529 tons.

The crop in East Cameroon is also running 12 percent behind the 1964-65 harvest. Production through April 15, 1966, amounted to 66,005 tons, compared with 74,440 tons harvest, during the same period a year earlier.

Northeast Brazil Sugar Program Approved

Brazil's GERAN (the Executive Group for the Rationalization of the Sugar Industry) has recently approved a modernization program for the sugar belt of Pernambuco. The program—jointly drafted by technicians from sev-

eral agencies—calls for the creation of an authority to administer a reform program. Total costs of the 5-year program for the sugar area might run as high as $500 million, roughly 20 percent of which might be sought from international financing agencies.

Reform of the area, to be carried out concurrently on a number of fronts, has the following objectives: Dimensioning the sugar industry within its internal and external market potential; broadening the industrial sector and diversifying agricultural production by introducing new crops; creating a large group of small landowners, producing cane with the protection of a quota system; preparing the affected populace for the new responsibilities they are to assume as tenant farmers.

Australia Sells Wheat to Communist China

Australia's Wheat Board has negotiated a sale of 600,000 tons of wheat to Communist China for $A31 million, to be delivered between July and December 1966. The sale will virtually clean out current unsold stocks held by the Board.

More wheat was sold than had been anticipated earlier, owing to a reduction in the volume of wheat reserved for export of flour.

A proportion consists of off-grade wheat which became available when the need for domestic feed wheat diminished after the recent rains. The Wheat Board has not announced the quantity of below-F.A.Q. wheat involved, but it is believed to approximate 110,000-135,000 tons.

Thai Rice Export Prices Continue Upward

Contrary to the usual seasonal decline, this year Thailand's export prices of rice have continued to increase. The sharp rise is the result of increased foreign demand and shorter supplies in some of the exporting countries.

THAILAND'S AVERAGE RICE EXPORT PRICES [1]
[F.o.b. Bangkok]

Date	White rice		White broken A-1 super	Cargo 100-percent first grade
	100-percent first grade	10-percent broken		
1965:	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Jan.	6.35	5.81	3.84	5.21
Feb.	6.34	5.87	4.04	5.30
March	6.32	5.88	4.12	5.28
April	6.18	5.76	3.94	5.21
May	6.16	5.71	3.81	5.08
June	6.14	5.71	3.90	5.09
1966:				
Jan.[2]	6.89-6.81	6.37-6.28	4.91-4.89	5.78-5.69
Feb.[2]	6.85-6.90	6.29-6.33	4.98-5.01	5.67-5.70
March[2]	7.13-7.16	6.49-6.52	5.08-5.11	5.93-5.95
April[2]	7.71-7.82	7.09-7.21	5.65-5.78	6.45-6.56
May[2]	7.63-7.69	7.05-7.11	5.73-5.79	6.52-6.58
June	7.81	7.25	5.73	6.59
July 1	7.97	7.43	5.82	6.71
5	8.09	7.52	5.81	6.89

[1] Milled rice. Includes export premium, export tax, and cost of bags. Packed in bags of 100 kilograms (220.46 lb.) net.
[2] Prices for shipment in month of purchase to prices for later shipment.

The July 5 price of 100-percent, first grade rice, at $8.09 per 100 pounds, was 17 percent higher than the average $6.89 in January and 31 percent above the $6.17 average on the same date a year earlier.

The price increase for brokens was even steeper. A-1 super brokens on July 5 were quoted at $5.81 per cwt. compared with $4.91 in January, and were 49 percent higher than $3.89 a year earlier.

Rice exports of Burma, the other principal exporter of Asia, in calendar 1966 are expected to decline from even the low level of 1.3 million tons in 1965. The average volume exported in 1959-63 was 1.7 million tons.

Mexico Sells Dry Beans to Brazil

The Mexican Government price support and purchasing agency, CONASUPO, and its Brazilian counterpart, COBAL, have concluded a deal to move 13,500 metric tons of dry beans from CONASUPO stocks in Brazil. The first of two shipments, amounting to 4,500 tons, is in transit now, and the second, for 9,000 tons, will be shipped at a later unspecified date. Types sold included Bayo Blanco, Bayo Mediano, and Ojo de Cabra. Prices are not available.

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Correction: *Foreign Agriculture*, July 11, 1966, article "A Look at the Changing Market for U.S. Poultry in Germany" page 11, column 1, paragraph 5 should read: "Since 1962, the levy on broiler imports from non-EEC sources has steadily increased, making a record level of 18 cents per pound in the spring of 1965, and is currently 15.2 cents per pound. This compares with only about 16 percent ad valorem charge before the EEC regulations came into effect." Column 2, paragraph 3, line 3 ". . . EEC self-sufficiency in poultry meat"

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Highlights of the Agriculture and Trade of Poland

Resources.—Poland covers an area of 120,356 square miles, about the size of New Mexico. Of the total land area, 50 percent is in arable land, 13 percent in pastures and meadows, 26 percent in forests, and 11 percent in orchards and other lands. About 57 percent of the arable land is in grain, 18 percent in potatoes. Rye accounts for nearly one-third of all sown area and one-half of the grain area. As of December 1965, population was 31,551,000. Total labor force (1960) was 13,907,000 of which 47 percent, or about 6.5 million, were in agriculture.

Agriculture.—Mixed crops and livestock farming predominate. Chief grains are rye, wheat, oats, and barley. Potatoes are important both as food and feed. Sugarbeets and rapeseed are major industrial crops. Rye, oats, and barley are major feed grains. Livestock products—principally meat, milk, and eggs—account for about 40 percent of the gross agricultural output; pork accounts for 70 percent of meat output.

Farm Structure.—Since the decollectivization in 1956, about 86 percent of agricultural land is in private farms which average about 12 acres each, 13 percent in state farms averaging 1,000 acres, and 1 percent in the collective-type farms, averaging 400 acres. "Agricultural circles" which existed in prewar Poland as voluntary cooperative organizations, are now used by the government to encourage socialized-type operations among private farmers through favorable distribution of such inputs as fertilizers and machinery.

Farm Inputs.—Most private farms—about 3.6 million—are badly equipped in comparison with state and collective farms. In 1964, there were 106,800 tractors of which only 12,500 were privately owned. Sown area per tractor in 1964 was 363 acres. Total fertilizer consumption in 1963-64 amounted to a little over 57 pounds per acre. In 1964, 2,157,000 tons of feed concentrates were sold to agriculture, of which 59 percent went to the private sector.

Food Consumption Levels.—Food consumption has increased during the past decade in both quality and quantity, with rising consumption of livestock products and declining consumption of cereals and potatoes. Average daily caloric intake for 1959-61 was 3,100 compared to an average of 2,800 in prewar Poland. Livestock products accounted for 29.2 percent of the total daily caloric intake compared to 26.1 percent during 1956-58.

Foreign Trade.—Total trade in 1965 was equivalent to $4.6 billion, of which imports accounted for 51 percent and exports for 49 percent. Of the total trade 65 percent was with Communist countries and 35 percent with others. Agricultural commodities accounted for 13 percent of all imports and 18 percent of all exports in 1965. Major farm imports were wheat, barley, rice, animal and vegetable fats, cotton, wool, hides, and tobacco; major farm exports were fresh and processed meats, eggs, butter, poultry, brewing barley, and sugar.

Agricultural Trade With the United States.—U.S. trade with Poland in 1965 amounted to about $100 million or 2 percent of the total Polish trade. Major U.S. exports to Poland included wheat, cotton, tallow, soybean oil, grain sorghum, corn, and barley. Major U.S. imports from Poland include canned hams and other pork products, hides and skins, and fruit. In 1957, the United States concluded its first Public Law 480 agreement with Poland, resulting in increased exports of U.S. agricultural commodities to that country. Between 1957 and 1964, the value of commodities shipped to Poland, including ocean transportation, amounted to $538.2 million. In September 1964, the U.S. Congress took action, limiting Poland to purchases under Title IV or on a commercial basis.

Agricultural Policy.—Although the large private sector in Polish agriculture is unique among the Communist countries, socialized farming remains a long-range goal. Agricultural circles serve as a bridge between the private and socialized sectors. In an effort to increase agricultural production, the government has raised farm prices, lowered compulsory deliveries (a form of taxation), and made available to agriculture more fertilizer and machinery. The Five Year Plan (1966-70) calls for increases of 17 percent in plant production and 11 percent in livestock output. The basic assumption of the plan is to eliminate grain imports, which ranged between 2.5 million and 3 million metric tons during 1963 and 1964. —A. PAUL DANYLUK

Foreign Regional Analysis Division, ERS